



CONFIDENTIAL SECURITY INFORMATION

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3. When the Chinese authorities took over the public utilities in Shanghai they discharged all foreign employees including Russians, both "stateless" and Soviet citizens. All discharged employees received severance pay. A number of the Russians were unable to find other employment and when they had exhausted their severance pay they applied for re-employment in their old jobs. Some were taken back but on Chinese pay scales.

4. Many Russians including some Soviet citizens have been receiving assistance from IRO. It does not amount to much; "not enough to live on but too much to die" as the Russians say.

5. About 150 Soviet citizens are employed teaching the Russian language to Chinese at a school which the Chinese authorities have established at Kiangwan. To obtain an appointment as a language instructor the applicant must pass examinations on the history of the Communist party, the constitution (Stalin's) of the USSR, and dialectic materialism. Stalin on world economy has recently been added to the required subjects. No examination is given in the language.

6. In ordinary dealings with Russian residents the Chinese authorities made no distinction between Soviet citizens and "stateless" Russians. They are equally subject to arrest by the Chinese authorities for criminal offenses, for example tax evasion or violation of the currency regulations. [redacted] one Soviet citizen [redacted] was jailed by the Chinese authorities for a year on a tax evasion charge and then expelled. The Soviet consular authorities refuse to interfere in such cases. [redacted] no Russian was pressed to contribute to the various Communist bond drives, nor were they asked to participate in Communist parades or demonstrations. The Chinese authorities evidently did not wish foreigners to participate in any governmental activities as foreigners were never made members of the block committees.

7. [redacted] the relations between the USSR Consulate and Soviet citizens. The consular staff holds aloof from the local colony and its relations with even the Soviet Citizen's Association are limited and formal. 50X1 A Soviet citizen deals with the USSR Consulate only for the renewal of his passport and to obtain permission to emigrate. In the latter case he must first clear with the Soviet Citizens Association. In all other matters he deals with the Association. [redacted] before the Association will clear an applicant it requires him to pay up all back dues and charges a fee as well; [redacted]

8. Illustrating the gap between the USSR consular authorities and the local Soviet citizens, when a Soviet ballet troupe visited Shanghai under Soviet government auspices in 1952, local Soviet citizens were refused permission to attend the performances.

9. The "stateless" Russians in Shanghai are of course bitterly opposed to the Chinese Communist regime and critical of it in all respects. Soviet citizens do not dare express a derogatory opinion and hence keep silent.

10. It is universally believed in Shanghai that there are USSR advisers in such important government organs as the Bank of China, the police, the foreign affairs bureau, and other municipal offices, but no one ever sees the advisers [redacted]

11. As to the attitude of the Chinese public toward Russians, [redacted] the Chinese authorities have issued orders that no foreigner is to be molested. For example it used to be that if a foreigner became involved in an altercation with a rickshaw coolie the police would always find the foreigner at fault. Now the opposite is the case and the coolie is always in the wrong. Russians are well treated. The term "big nose" as applied to them is forbidden. Occasionally Chinese will ask a Russian if he is "white" or "red"; they seem to prefer the "reds". Russian is spoken in many of the shops and often a picture of Stalin flanks one of Mao Tse-tung. [redacted]

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12. The only USSR or satellite goods [redacted] on sale were Czech "Tatra"  
50X1 bicycles in a Chinese government cooperative, and USSR cotton prints which  
50X1 were on sale in many shops. [redacted]  
50X1 [redacted] USSR streptomycin is on sale [redacted]  
50X1 [redacted] the injections  
50X1 were painful and caused swellings, but the drug was effective. Penicillin of  
50X1 French manufacture was available. For some time /1951-52/ drugs were in  
short supply but during the last few months [redacted] to end-Feb 53/  
50X1 it was not difficult to procure them. Permission to import drugs from Hong Kong  
was granted to anyone who could produce a doctor's certificate attesting  
illness in the family. When the drugs were received in Shanghai the Customs  
removed the labels to prevent the recipient selling them. The duty was 40%/45%.

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